

PROPOSITION 72
Health Care Coverage
Requirements. Referendum.
Chapter 673, Statutes of 2003 (SB 2).
Proponents: Allan Zarembeg
John Dunlap III
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Date: July 15, 2004

BALLOT TITLE AND SUMMARY

HEALTH CARE COVERAGE REQUIREMENTS. REFERENDUM.

A "Yes" vote approves, and a "No" vote rejects legislation that:

- Provides for individual and dependent health care coverage for employees, as specified, working for large and medium employers;
- Requires that employers pay at least 80% of coverage cost; maximum 20% employee contribution;
- Requires employers to pay for health coverage or pay fee to medical insurance board that purchases primarily private health coverage;
- Applies to employers with 200 or more employees beginning 1/1/06;
- Applies to employers with 50 to 199 employees beginning 1/1/07. Applies to employers with 20 to 49 employees if tax credit enacted.

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:

- Expenditures fully offset by fee revenues paid mainly by employers, which could range from tens of millions to hundreds of millions of dollars annually, to fund a new state program primarily to purchase private health insurance coverage.
- Reduction in county health program costs potentially in the low hundreds of millions of dollars annually.
- Uncertain net fiscal impact on state-supported health programs.

**SUBJECT TO COURT
ORDERED CHANGES**

**OFFICIAL TITLE AND SUMMARY
PREPARED BY THE ATTORNEY GENERAL**

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- Increased costs potentially in the low hundreds of millions of dollars annually for state and local public agencies to provide additional health coverage for their employees.
- Net reduction in state tax revenues potentially in the low hundreds of millions of dollars.

- In summary, unknown net savings or costs to state and local government.

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